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Casey aided contra plan, sources say

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Inquirer Washington Bureau

WASHINGTON — CIA Director William J. Casey was involved in an extensive effort by his agency to help provide military assistance to the Nicaraguan contras during the two years that Congress banned such aid, according to official documents and knowledgeable sources.

Casey was essential to the success of the supposedly private contra supply network coordinated by Lt. Col. Oliver L. North, then a National Security Council aide, said a veteran intelligence officer with knowledge of Latin America and experience at several CIA outposts.

In an interview, the officer said North relied on the CIA to provide him with "information, penetration into the contra organizations and the Sandinista government, manipulation, facilitation of air deliveries, schedules and clearances, and the opening of secret bank accounts."

"Without Casey's help at every stage, Ollie North would not have been able to do any of what he did for the contras," the officer said.

The CIA repeatedly has denied that it violated congressional restrictions, which ended in October, on helping the contras obtain military aid. Casey resigned Feb. 2 after undergoing major surgery to remove a brain tumor.

A CIA officer who served as station chief in Costa Rica has told a presidential commission investigating the Iran-contra affair that his superiors in Washington authorized him to assist in coordinating the airlift that kept the contras supplied with weapons last year, according to a commission source.

The commission subsequently called the officer's activities "improper" and notified the CIA, which suspended him.

According to administration officials, contra leaders, former intelligence officers and congressional aides, the CIA was a constant participant in North's secret crusade to keep the contra effort alive for years — including the period of the congressional prohibition on military aid to the rebels from October 1984 to October 1986.

William J. Casey
Said to have aided North

They cited these examples:

• From 1984 through most of last year, Casey and North worked closely, traveling together to the Middle East and Central America to seek contra aid. They kept in constant touch, dining together and meeting frequently in the White House and at CIA headquarters, sources familiar with the activities of both men said.

• In June 1985, eight months after Congress imposed its ban, the CIA station chief in Honduras helped to settle a dispute between contra factions over the distribution of private arms shipments arranged by North. As a result, two planeloads of ammunition were shipped to the faction that had complained it was being shortchanged, according to a contra leader.

• Last spring, a retired Marine Corps brigadier general, Donald M. Schmuck, visited contra military camps on the Nicaragua-Honduras border, then reported to the Marine Corps commandant that information about the contras' combat operation should be passed along to U.S. armed forces "by the CIA agents who have been with the contras from the beginning."

• In July, Casey secretly visited Portugal, where he conferred with President Mario Soares and other top officials. Casey's trip came at the height of shipments through the country of hundreds of tons of weapons labeled for delivery to Guatemala and Honduras, but actually bound for the Nicaraguan insurgents. Last week, CIA spokeswoman Sharon Foster confirmed that Casey had traveled to Portugal, but denied that he solicited aid there for the contras.

• On Aug. 12, top aides to Vice President Bush briefed several U.S. officials — including a CIA officer — on the poor quality of the aircraft carrying military supplies to the rebels, according to a chronology of events assembled by Bush's aides.

These and other instances of CIA activities raise questions about whether the Reagan administration obeyed the Boland Amendment, which was enacted by Congress in 1984 specifically to force the CIA to withdraw from its covert management of the contra war.

From October 1984 to December 1985, the amendment prohibited the CIA, the Defense Department or any other intelligence agency from spending any money on direct or indirect support of "military or paramilitary operations in Nicaragua by any nation, group, organization, movement or individual."

Then Congress modified the ban to allow the CIA to furnish intelligence information and communications equipment to the contras from December 1985 to mid-October, enabling the agency to spend $13 million on its contra aid program last year.

Outright military assistance continued to be barred until Oct. 18, when President Reagan signed into law a $100 million program that permitted the CIA to resume military management of the insurgency.

"Some people within the White House are certain that the spirit of the Boland Amendment was indeed violated repeatedly and deliberately," a White House official said. He spoke on condition that he not be identified.

Rep. George E. Brown Jr. (D., Calif.), a member of the House Intelligence Committee and an opponent of contra aid, observed: "It seems clear now that the CIA provided some coordination to the so-called private airlift of supplies to the contras." And that, he added, was illegal.

"I think there may be individual staff members of the CIA who violated the law. We have enough evidence of that," said Brown, whose committee held hearings on the Iran-contra affair. "I think he [Casey] knew about the thrust of the activities which Ollie North was carrying on. Whenever Ollie North needed CIA help, he got it."

So far, the strongest evidence of CIA military assistance to the contras stems from the activities of the agency's former station chief in Costa Rica, who used the cover name of Tomas Castillo.

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The Tower commission, appointed by the President to investigate the National Security Council's role in the arming of Iran and the contras, learned from Castillo on Jan. 28 that he coordinated the airlift that kept the contras supplied with weapons despite the congressional ban, a commission source said. (The commission is led by former Republican Sen. John G. Tower of Texas.)

Castillo informed the Tower commission, though not under oath, that he had the approval of higher-ups in the CIA, including Clair George, who directs the agency's clandestine operations. The CIA refused to comment on Castillo's contention, but a Tower commission source said the panel found that only Castillo had acted improperly.

Castillo has boasted that he talked to Casey directly, without having to go through normal bureaucratic channels, a rebel official in Costa Rica has said.

Indeed, Castillo did sometimes have access to the highest levels of the administration. White House documents obtained by the Senate Intelligence Committee show, for example, that on April 23, Castillo attended a meeting, apparently on Central American policy, along with Reagan, North, White House chief of staff Donald T. Regan, then-national security adviser John M. Poindexter, and a Costa Rican security official and his wife.

The close ties between North and the CIA were illustrated in late 1985 when North called a Senate Judiciary Committee staff member in an effort to help then-CIA general counsel Stanley Sporkin, whose Casey-sponsored nomination for a federal judgeship had been bottled up by conservative Republicans.

The staff member said North told him that "Sporkin was a good guy and he was helping with private funding to the contras."

Sporkin, now a federal judge in Washington, replied that "I cannot dispute" that North made the call. But he labeled "ridiculous" any contention that he helped the effort to furnish supplies to the contras.

Asked whether he meant that he never gave any legal advice on CIA aid to the contras, Sporkin replied: "No, I can't say that. How could I say that?"

Beginning Oct. 1, top CIA officials began receiving warnings of possible diversions of money from Iranian arms sales to the contras, but they failed to alert Congress, even during congressional testimony by Casey on Nov. 21. It was only after Attorney General Edwin Meese 3d announced there had been a diversion that Casey acknowledged to the Senate Intelligence Committee that he had received the earlier warnings.

Over lunch Oct. 9, North cryptically suggested to Casey and his deputy, Robert M. Gates (now acting director and Reagan's nominee to succeed Casey), that some money from Iranian arms sales may have been funneled to the contras, the Senate Intelligence Committee reported.

Five days later, according to testimony before the committee, a senior CIA analyst raised the same issue of diversion of money in a memorandum to Casey and Gates.

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